



2024 AGM



GEMS ANNUAL GENERAL MEETING MEMBER GUIDE

Annual General Meeting of Members

Under the Medical Schemes Act, medical schemes must hold a general meeting of members every year, called an Annual General Meeting (AGM), where members may voice their views and vote on motions.

The GEMS Rules state that the Scheme's annual financial statements (including the reports of the Board of Trustees (Board) and the Scheme's external auditor) and the draft minutes of the previous AGM must be laid before the AGM. The GEMS Rules also require that the Scheme's external auditor be appointed at the AGM.

It is important that GEMS members participate in the work leading up to the AGM and during the AGM itself. This guide provides GEMS members with the information needed to participate well and to adhere to the GEMS Rules on the AGM.

Before the AGM

Members are given at least eight weeks' notice of the date and the place of the AGM, as well as the AGM meeting rules and conditions and the consequences of failing to meet them, which notice is included in the Scheme's Annual Integrated Report (AIR) on how GEMS has operated for the year.

The AIR includes the changes, successes and challenges experienced by the Scheme during the year. It also features a report on the Scheme's finances, which was checked by independent external auditors, and which sets out the Scheme's income, expenses, investments and what is in reserve to buffer the Scheme against unexpected high claims.

Members are advised on matters to be discussed at the AGM. Should you have any motions or objections to add or raise on the provisional AGM agenda, you must notify the Principal Officer in detail at least five weeks before the meeting.

When he receives your written notice, the Principal Officer and the Board will check your proposal against the Medical Schemes Act and the GEMS Rules, and will let you know if your motion or objection has changed the provisional AGM agenda. You may appeal to the Council for Medical Schemes if you disagree with them.

All members will be notified at least three weeks before the AGM of the final AGM agenda. Members who are unable to attend the meeting may nominate a representative, who should also be a GEMS member, to vote on their behalf at the meeting.

Please note that medical schemes operate under very strict rules and regulations prescribed by the Medical Schemes Act, primarily to protect members. Hence, the GEMS Rules cannot be changed at the AGM as they may be, for example, a union's annual general meeting.

It is also important to note that the GEMS Board members cannot be removed from office as a result of discussions at the AGM, nor can the results of trustee elections be set aside.

AGM Schematic

Step 1

Members receive the 2023 GEMS Annual Integrated Report, including the first AGM notice and provisional AGM agenda. (eight weeks before the AGM, i.e. **5 June 2024**)

Step 2

Members submit their proposed motions and objections to the provisional AGM agenda to the GEMS Principal Officer for consideration and possible inclusion on the final AGM agenda. (five weeks before the AGM, i.e. **26 June 2024, 16:00**)

Step 3

Members receive the Scheme's second AGM notice, including the final AGM agenda, proxy form and online registration details. (three weeks before the AGM, i.e. **10 July 2024**)

Step 4

Members submit their proxy forms to the Scheme, or register online for the AGM, (one week before the AGM, i.e. **24 July 2024, 16:00** (for proxy forms), or **31 July 2024, 15:00** (for online registration))

Step 5

Members attend the virtual AGM. (**31 July 2024, 15:00 - 17:00**)

You may think - then why attend?

There are various good reasons to attend the AGM, given the importance of the matters to be discussed and voted on, either in person, virtually, or via your nominated proxy. For the latter option, a proxy form needs to be completed and received by the Principal Officer at least one week before the AGM. The Scheme will send you the form at least three weeks before the meeting.

It is, therefore, important to read the AIR early to consider the matters that affect you.

Please contact the **GEMS Call Centre at 0860 004 367** or email **AGM@gems.gov.za** for assistance, if you have not received a copy of the AIR, the proxy form, or any of the notices referred to above, or if you require more information on the AGM.

For the AGM to be valid, it must be attended by a specified number of members. This number is calculated as the total number of members registered on the Scheme at the date of the AGM, divided by 10 000, or 30, whichever is higher. If 30 minutes into the meeting there are not enough members, the AGM must be cancelled and a new date set for 30 days later, but not on a Saturday, Sunday or public holiday. Within 14 days of the postponement, members must be given notice of the new date.

At the AGM

Attendance at the AGM is limited to members, officers of the Scheme and individuals or organisations invited by the Scheme. **It is important to note** that only members have a say and may vote at the AGM.

The AGM is chaired by the Chairperson or Deputy Chairperson of the GEMS Board.

Every member at the meeting may speak and vote. The GEMS Rules state that AGM motions must be passed through a vote by both the members physically or virtually present and the members represented by proxy. The Chairperson decides whether voting will be by ballot (a vote on paper), or by a show of hands (physically or virtually). Should the votes be equal, the Chairperson has the deciding vote, in addition to his/her own vote, provided that he/she is a member. If not, he/she is not entitled to vote and the Deputy Chairperson will have these votes, if a member. If not, any Board member nominated by the independent Audit Committee Chairperson may exercise these votes, if a member.

At the AGM, members decide on the appointment of the Scheme's external auditor. In order to do so:

- Audit firms are invited by the Scheme to apply for the work through an open tender.
- In terms of the GEMS Supply Chain Management Policy and the regulations issued by the Council for Medical Schemes and the Independent Regulatory Board of Auditors, the Board chooses the best audit firm for the work to propose to the AGM. In doing so, the Board considers a firm's demonstrated ability to do the work, its knowledge, skills, experience, price

and broad-based black economic empowerment status.

- The name of the proposed firm is submitted to the Scheme's independent Audit Committee and the Board for consideration, and then to the AGM for a decision.

Why is this important?

The external auditor reports to members in the AIR and at the AGM, and is a 'watchdog' that protects members. He/she confirms that the numbers reported in the Scheme's annual financial statements are correct and reports any irregularities to the Council for Medical Schemes. Members must have confidence in and trust that the audit firm recommended by the Board will fulfil this role, and must ensure that the best firm is appointed.

Special General Meeting

The GEMS Board may call a Special General Meeting (SGM) if it believes it is necessary, or if requested by at least 450 members, comprising a minimum of 50 members from each province.

All the members requesting the meeting must sign the written request, which must explain the reasons for and objectives of the requested meeting. The request must be submitted to the Scheme's registered office. The Principal Officer will ensure that the request follows the correct procedures and that the reasons for the proposed meeting do not conflict with the Medical Schemes Act, the GEMS Rules, or the objectives of the Scheme.

If the Principal Officer declines the request, the requesting members will be notified of the reasons within 45 days of the request receipt. Should the requesting members be aggrieved, the decision may be appealed to the Council for Medical Schemes.

If the Principal Officer sanctions the SGM, the meeting must take place within 30 days of receipt of the request. All members must then be notified of the meeting at least 14 days before and be given the reasons for the meeting. As SGM rules are similar to those for an AGM, a certain number of members must attend for it to be valid. This number is calculated as the total number of members registered on the Scheme at the date of the SGM, divided by 10 000, or 50, whichever is the higher. Only matters in the SGM notice may be discussed. If too few members attend, the meeting must be cancelled.

General

For more information about the 2023 GEMS Annual Integrated Report (AIR) or the 2024 GEMS AGM, please contact the **GEMS Call Centre at 0860 004 367** or email **AGM@gems.gov.za**.